

Touro Bouligny Security District
New Orleans, Louisiana

Annual Financial Statements
And Report on Applying Agreed-Upon Procedures

Year Ended February 29, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/17/08

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PEDELAHORE & CO., LLP
Certified Public Accountants

August 25, 2008

Office of Legislative Auditor
Attention: Ms. Suzanne Elliot, CPA
Post Office Box 94397
1600 North Third Street
Baton Rouge, Louisiana 70804-9397

Re: Touro Bouligny Security District
New Orleans, Louisiana

Dear Ms. Elliot:

In accordance with Louisiana Revised Statute 24:514, enclosed are the annual financial statements for Touro Bouligny Security District (the "District") as of and for the year ended February 29, 2008. Also attached (but not bound herein) is the Data Collection Form concerning this engagement.

The report includes all funds under the control and oversight of the District. Also, as indicated in Note 2 to the financial statements, there are no component units included in the District's reporting entity. The accompanying financial statements have been prepared in accordance with generally accepted accounting principles.

Additionally, copies of the financial reports referred to above have been distributed to the Board of Commissioners of the District.

Respectfully,



Pedelahore & Co., LLP
Certified Public Accountants

Required Supplementary Information (Part 1)

Touro Bouligny Security District
New Orleans, Louisiana

Management's Discussion And Analysis
Year Ended February 29, 2008

The Management's Discussion and Analysis for the Touro Bouligny Security District (the "District") is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34. This financial information for the first year of operation for the District is presented to provide an overview of the District's activities. Please read it in conjunction with the basic financial statements and the accompanying notes to the financial statements.

Overview Of The Financial Statements

This annual report consists of: Management's Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and other supplementary information, including other reports and schedules by certified public accountants and management.

The basic financial statements include government-wide financial statements and fund financial statements. The government-wide financial statements consist of the Statement of Net Assets and the Statement of Activities, and provide information about the activities of the District as a whole. They include all of the District's assets and liabilities and report all revenues and expenses regardless of when cash is received or paid. Fund financial statements begin on page 10. These statements tell how the District's services were financed in the short-term as well as what remains for future spending. The governmental activities are financed primarily by property taxes, and all of the District's operations are conducted through a general fund.

Financial Highlights

A summary of the basic government-wide financial statements is as follows:

Summary Statement Of Net Assets
As Of February 29, 2008

	<u>2007</u>
Current and other assets	
Total assets	<u>\$ 216,277</u>
Current liabilities	
Total liabilities	<u>\$ 147,161</u>
Net Assets	
Unrestricted	<u>\$ 69,116</u>
Total Net Assets	<u>\$ 69,116</u>

Touro Bouligny Security District
New Orleans, Louisiana

Management's Discussion And Analysis
Year Ended February 29, 2008

As indicated above, 2007 is the first year of the District's operations. Total net assets increased by \$69,116, and resulted in ending net assets of \$ 69,116.

Summary Statement Of Activities
For The Year Ended February 29, 2008

	<u>2007</u>
Revenues	\$ 235,253
Expenses	<u>166,137</u>
Change In Net Assets	<u>\$ 69,116</u>

The total spending for the governmental activity was \$166,137 for the year; this was \$69,116 less than the taxes (interest and other revenue) received for this activity, which totaled \$235,253.

The interest earned on funds held in custody (at the Board of Liquidation, City Debt) was \$4,512 for the fiscal year.

General Fund Budgetary Highlights

Post-Katrina revenue expectations in the first year of operations was an uncertain quantity since it was not clear whether estimated taxes due based on property values would be collected. With this unknown factor the Board deemed it wise to be conservative in providing security services until the flow of revenue could be evaluated. As noted by the Statement of Activities the District, in its conservative approach to operations in its initial year, operated well within the amount of funds that were received. As a result the District has sufficient funds to continue providing substantial security services into the next year and to consider enhancing the security services provided.

In 2007, actual revenues were less than budgeted revenues by \$30,947, and actual expenditures were less than budgeted expenditures by \$102,063. These variances were due to the District not amending its budget for the post-Katrina impact on revenue, and for the conservative approach in providing the security services.

Touro Bouligny Security District
New Orleans, Louisiana

Management's Discussion And Analysis
Year Ended February 29, 2008

Economic Factors and Next Year's Budget

The District's primary revenue source is an ad valorem millage tax on property in the District. Since property valuations were reassessed for 2008, the millage rate was reduced in light of the increased property valuations to provide funds comparable to the level of revenue received in the first year. The budget for next year (March 1, 2008 to February 28, 2009) should not change significantly from this year's budget.

Factors Expected to Effect Future Operations

At the present time, no known issues are expected to have a significant impact on future operations.

Contacting The District's Financial Management

This report is designed to provide our residents of the District and others with a general overview of the District's finances and to show the District's accountability for the money it received. Any questions about this report or requests for additional information may be directed to the District's Commissioner, Mr. James Smoak, located at P. O. Box 750290, New Orleans, Louisiana 70175.

Financial Section

PEDELAHORE & CO., LLP
Certified Public Accountants

Accountants' Review Report

To the Board of Commissioners
Touro Bouligny Security District
New Orleans, Louisiana

We have reviewed the accompanying basic financial statements of Touro Bouligny Security District, as of and for the year ended February 29, 2008, as listed in the table of contents, in accordance with *Statements on Standards for Accounting and Review Services* issued by the *American Institute of Certified Public Accountants*. All information included in these basic financial statements is the representation of management of the District.

A review consists principally of inquiries of District personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

Management's Discussion and Analysis and budgetary comparison information as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the *Governmental Accounting Standards Board*. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

In accordance with *Louisiana Governmental Audit Guide* and the provisions of the state law, we have issued a report, dated August 25, 2008, on the results of our agreed-upon procedures.

Pedelahore & Co., LLP

August 25, 2008

Touro Boulogny Security District
Statement Of Net Assets
February 29, 2008

Statement A

Assets

Cash	\$ 31,887
Receivables - Due from Board of Liquidation, City Debt	<u>184,390</u>
Total Assets	<u>216,277</u>

Liabilities

Accounts payable	13,602
Accrued expenses	2,800
Deferred revenue	<u>130,759</u>
Total Liabilities	<u>147,161</u>

Net Assets

Unrestricted net assets	<u>69,116</u>
Total Net Assets	<u>\$ 69,116</u>

See accompanying notes and accountant's report.

Touro Bouligny Security District
Statement of Activities
For The Year Ended February 29, 2008

Statement B

Expenditures

Patrol and security services	\$ 163,224
Accounting services	2,800
Administrative and office expenses	<u>113</u>

Total Expenditures	<u>166,137</u>
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Revenues

Ad Valorem taxes (net of collection fees)	229,217
Interest earned	4,512
Other	<u>1,524</u>

Total Revenues	<u>235,253</u>
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Change In Net Assets	69,116
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Net Assets At Beginning Of Year	<u>-</u>
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Net Assets At End Of Year	<u>\$ 69,116</u>
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See accompanying notes and accountant's report.

Touro Bouligny Security District
Balance Sheet
General Fund - Governmental Fund
February 29, 2008

Statement C

Assets

Cash	\$ 31,887
Receivables - Due from Board of Liquidation, City Debt	<u>184,390</u>
 Total Assets	 <u><u>\$ 216,277</u></u>

Liabilities And Fund Balance

Accounts payable	\$ 13,602
Accrued expenses	2,800
Deferred revenue	<u>130,759</u>
 Total Liabilities	 <u>147,161</u>
 Fund balance - unreserved and undesignated	 <u>69,116</u>
 Total Liabilities And Fund Balance	 <u><u>\$ 216,277</u></u>

See accompanying notes and accountant's report.

Touro Bouligny Security District
Reconciliation Of The Governmental Funds Balance Sheet
To The Government - Wide Statement Of Net Assets
February 29, 2008

	Statement D
Fund Balance - Governmental Fund (Statement C)	\$ 69,116

Amount reported for governmental activities in the statement of net assets
(government-wide financial statements) are different because:

There are no differences noted	<u>-</u>
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Net Assets Of Governmental Activities (Statement A)	<u>\$ 69,116</u>
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See accompanying notes and accountant's report.

Touro Bouligny Security District
Statement Of Revenues, Expenditures, And
Changes In Fund Balance
General Fund - Governmental Fund
For The Year Ended February 29, 2008

	Statement E
Revenues	
Ad valorem taxes (net of collection fees)	\$ 229,217
Interest earned	4,512
Other	<u>1,524</u>
 Total Revenues	 <u>235,253</u>
 Expenditures	
Patrol and security services	163,224
Accounting services	2,800
Administrative and office expenses	<u>113</u>
 Total Expenditures	 <u>166,137</u>
 Net Change In Fund Balance	 69,116
 Fund Balance At Beginning Of Year	 <u>-</u>
 Fund Balance At End Of Year	 <u>\$ 69,116</u>

See accompanying notes and accountant's report.

Touro Bouligny Security District
Reconciliation Of The Statement Of Revenues, Expenditures
And Changes In Fund Balances Of Governmental Funds
To The Statement Of Activities
For The Year Ended February 29, 2008

	Statement F
Net Change In Fund Balance - Governmental Fund (Statement E)	\$ 69,116

Amounts reported for governmental activities in the statement of activities
(government-wide financial statements) are different because:

There are no differences.

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Change In Net Assets Of Governmental Activities (Statement B)	<u>\$ 69,116</u>
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See accompanying notes and accountant's report.

Touro Bouligny Security District

Notes To Financial Statements

Year Ended December 31, 2007

Note 1. Introduction

The Touro Bouligny Security District (the "District") is a special taxing district created by Act 77 of Regular Session of 2005 of the Louisiana Legislature (Louisiana Revised Statute 33:9091.9), for the purpose of promoting and encouraging the security in the area included within the District.

The District is governed by a Board consisting of nine members (commissioners) who are residents within the District. The commissioners are appointed by certain organizations within the District, the mayor, and the state senator, state representative and city council member representing the District. Commissioners are appointed on a rotating and staggered schedule of four-year terms, and serve without compensation.

The boundaries of the District are areas within the following perimeter: Louisiana Avenue to St. Charles Avenue (river side only) to Napoleon Avenue (both sides) to Magazine Street (both sides) and back to Louisiana Avenue (excluding all municipal numbers on Louisiana Avenue).

The District has no employees.

As approved by a majority of voters of the District in September 2006, the operations of the District will be funded beginning in 2007 by the imposition of a special ad valorem tax on all taxable real property within the District.

Note 2. Summary Of Significant Accounting Policies

Basis of Presentation

The financial statements of the District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial statements - and Management's Discussion and Analysis - For State and Local Governments*, issued in June 1999.

Touro Bouligny Security District
Notes To Financial Statements
Year Ended December 31, 2007

Reporting Entity

The Touro Bouligny Security District is the basic level of government, which has financial accountability and control over all affairs of the District related to promoting and encouraging the security of the Touro Bouligny area in Orleans Parish. The District is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, because the majority of Board members are appointed by the public, and said Board has decision making authority, the authority to set rates (within legally prescribed limits), the power to designate management, the ability to significantly influence operations, and has primary accountability for fiscal matters. In addition, there are no component units as defined in GASB Statement 14, which are included in the District's reporting entity.

Fund Accounting

Due to the nature of the organization and its present operations, all revenues and expenditures of the District are accounted for in the General Fund, a governmental fund type. This fund is the general operating fund of the District. It is used to account for all financial resources of the District.

Basis Of Accounting

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities report information about the District as a whole. These statements include all the financial activities of the District. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Touro Bouligny Security District
Notes To Financial Statements
Year Ended February 29, 2008

Fund Financial Statements

The amounts reflected in the General Fund Statements, are accounted for using a current financial resources measurement focus. Measurement focus refers to what is being measured; basis of accounting refers to timing of when revenues and expenditures are recognized in the accounts and reported in the financial statements.

All revenues and expenditures of the District are accounted for in the General Fund (a governmental fund type). Governmental funds use a current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual, i.e., when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred, if measurable.

Reconciliation

Explanation of certain differences and the related reconciliations between the fund financial statements and government-wide financial statements are presented on pages 11 and 13.

Budget Practices

The proposed budget, prepared on the modified accrual basis of accounting, is submitted to the Board of Commissioners prior to the beginning of each fiscal year. The budget is made available for public inspection and is then legally adopted by the Board. The budget is established and controlled by the District, and is amended during the year, as necessary. All budgetary appropriations lapse at the end of the year and must be reappropriated for the following year to be expended.

Cash And Cash Equivalents

Cash includes amounts in interest bearing demand deposits. Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Touro Bouligny Security District
Notes To Financial Statements
Year Ended December 31, 2007

At February 29, 2008, the District had cash (book balances) totaling \$31,887 in non-interest bearing demand deposits. These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. At February 29, 2008, the District had \$31,887 in deposits (collected bank balance) insured by FDIC coverage.

Investments

The District does not have any investments other than cash invested in a non-interest bearing checking account. Funds held in a custodial account of the Board of Liquidation, City Debt, are invested in fully secured certificates of deposit and/or obligations of the United States Government.

Risk Management

The District is exposed to various risk of loss related to torts; and theft of, damage to and destruction of assets. To handle such risk of loss, the District has been named as an additional insured under the policies maintained by the company providing the patrol services to the District.

Note 3. Ad Valorem Taxes

Annually, the District submits a plan to the City Council of New Orleans to levy and collect a special ad valorem tax, not to exceed sixteen and two tenths (16.2) mills, on all taxable real property situated within the boundaries of the District.

The City of New Orleans levies and collects the special taxes for the District in the same manner and at the same time as all other ad valorem taxes on property subject to taxation by the City of New Orleans are levied and collected. Specifically, with regards to the District, the special ad valorem taxes are levied on January 1 of the current year based on assessed values as of August 15 of the prior year. Ad valorem taxes are due January 1 and become delinquent on February 1. The City is permitted to retain one percent (1%) of the amount collected as a collection fee.

Tax receipts are paid over to the Board of Liquidation, City Debt, day by day as collected. The Board of Liquidation, City Debt, serves in a custodial capacity for the District, and the funds collected are deposited in a special account until warranted by the District.

Touro Boulogny Security District
Notes To Financial Statements
Year Ended February 29, 2008

The District records the ad valorem taxes as receivables and revenues in the year the taxes become due.

Note 4. Receivables – Due From Board Of Liquidation, City Debt

Receivables totaling \$184,390 at February 29, 2008, mainly consist of funds held in a custodial account of the Board of Liquidation, City Debt. These funds, which have not been warranted by the District as of February 29, 2008, consist of ad valorem tax collections and interest earned on funds held in custody.

Note 5. Pension Plan

The District has no employees and is not a member of any retirement plan.

Note 6. Litigation And Claims

The District is not involved in any litigation and management is not aware of any claims against the District.

Note 7. Compensation Paid To Board Members

The members of the Board of Commissioners of the District receive no compensation for their services.

Note 8. Other Commitments And Contingencies

The District has a contract/security services agreement with a company that provides guard patrol services for the protection of the property and persons located within the boundaries of the District.

The contract with this company began in March 1, 2007 and ends on February 29, 2008, and includes an option to renew on an annual basis. Total expenditures under this contract for fiscal year 2007 were \$163,224.

Required Supplementary Information (Part II)

Touro Bouligny Security District
Statements Of Revenues, Expenditures, And
Changes In Fund Balance
Budget And Actual - General Fund
For The Year Ended February 29, 2008

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> Favorable (Unfavorable)	<u>%</u> <u>Variance</u>
Revenues				
Ad valorem tax (net of fees)	\$ 262,820	\$ 229,217	\$ (33,603)	
Interest earned	3,380	4,512	1,132	
Other	<u>-</u>	<u>1,524</u>	<u>1,524</u>	
Total Revenues	<u>266,200</u>	<u>235,253</u>	<u>(30,947)</u>	-11.6
Expenditures				
Patrol and security services	218,200	163,224	54,976	
Legal work	20,000	-	20,000	
Printing, postage and signs	7,000	-	7,000	
Office supplies and equipment	2,000	113	1,887	
Administrative personnel	15,000	-	15,000	
Accounting services	3,000	2,800	200	
Insurance	<u>3,000</u>	<u>-</u>	<u>3,000</u>	
Total Expenditures	<u>268,200</u>	<u>166,137</u>	<u>102,063</u>	38.1
Net Change In Fund Balance	(2,000)	69,116	71,116	
Fund Balance At Beginning Of Year	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	
Fund Balance At End Of Year	<u>\$ (2,000)</u>	<u>\$ 69,116</u>	<u>\$ 71,116</u>	

There were no amendments during the year to the original budgeted amounts of revenues and expenditures.

Other Reports And Supplemental Information

PEDELAHORE & CO., LLP

Certified Public Accountants

Independent Accountant's Report On Applying Agreed-Upon Procedures

To the Board of Commissioners
Touro Bouligny Security District
New Orleans, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Touro Bouligny Security District (the District) and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Touro Bouligny Security District's compliance with certain laws and regulations during the year ended December 31, 2007, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There were no expenditures meeting the above criteria.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Not applicable; the District has no employees or elected officials.

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3. Obtain from management a listing of all employees paid during the period under examination.

Not applicable; the District has no employees.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

Not applicable; the District has no employees.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

Management provided us with a copy of the original budget; no budget amendments were made during the year.

6. Trace the budget adoption and amendments to the minute book.

We traced the adoption of the original budget to the minutes of a meeting held on November 27, 2006, which indicated that the resolution to approve the budget for 2007 had been approved by the Board of Commissioners by a unanimous vote. No amendments were made to the budget during the year.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. The actual revenues failed to meet budgeted revenues by 11.6%. There were no unfavorable variances for the expenditures.

Additionally, due to a typographical error in preparing the budget, budgeted expenditures exceeded total funds available by \$2,000.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- (a) Trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

Accounting and Reporting

- (b) Determine if payments were properly coded to the correct fund and general ledger account; and,

All of the payments were properly coded to the correct fund and general ledger accounts.

- (c) Determine whether payments received approval from proper authorities.

Inspection of the cancelled checks for each of the six selected disbursements indicated that all but the initial check written (for the District's initial year of operations) were properly signed by authorized officials, with two signatures for those checks over \$1,000. Management has asserted that the supporting documentation was presented and approved at the time the checks were signed. Inspection of the invoices verified that some of the invoices had copies of the original checks attached to indicate that the invoices were paid and approved; others were only marked paid, and none were initialed.

Meetings

- 9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The District is required to post a notice of each meeting at the principal office of the District, or if no such office exists, at the building in which the meeting is to be held.

We noted that the minutes contained the requirements that the appropriate public notice of all regular and special meetings were to be posted more than twenty-four hours before each meeting. Although management has asserted that the meeting notices were properly posted, we could find no evidence to support this assertion.

Debt

- 10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank statements and deposits for the period under examination and noted no deposits that appeared to be proceeds of bank loans, bonds, or like indebtedness. All deposits were taxes collected and distributed by the Board of Liquidation.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees, which may constitute bonuses, advance, or gifts.

A reading of the minutes of the District for the year indicated no approval for the types of payments noted. Inspection of payroll records was not appropriate, as the District has no employees.

This was the District's initial year of operations. Accordingly, there were no prior period findings.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Touro Bouligny Security District and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Pdellakow & Co., LLP

August 25, 2008

Other Schedules

Touro Bouligny Security District
Management's Corrective Action Plan For Current Year Findings
Year Ended February 29, 2008

We have reviewed the basic financial statements of Touro Bouligny Security District as of and for the year ended February 29, 2008, and have issued our report thereon dated August 22, 2008. In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have also issued a report, dated August 22, 2008, on the results of our agreed-upon procedures.

Section I – Agreed-Upon Procedures

Finding 2007-1: Budgetary Compliance

Finding: The Local Government Budget Act requires amending a budget when total actual revenue plus projected revenue for the remainder of the year fails to meet budgeted revenues by five percent (5%) or more. The District's actual revenue for 2007 fell short of budgeted revenue by \$30,947, or by 11.6%.

Management's
response and
planned corrective
action: The District concurs with the finding and will take the necessary steps to properly amend future budgets.

Contact person: President of the Board of Commissioners.

Anticipated
completion date: Immediately.

Finding 2007-2: Open Meetings Law

Finding: The Open Meetings Law requires a notice and agenda to be posted 24 hours in advance of a meeting. Although management has asserted that the agenda had been properly posted, further evidence would be provided if confirmation of compliance were noted during the meeting and included in the minutes.

Touro Bouligny Security District
Management's Corrective Action Plan For Current Year Findings
Year Ended February 29, 2008

Finding 2007-2: Open Meetings Law (continued)

Management's
response and
planned corrective
action:

The District concurs with the finding and will take the necessary steps to confirm compliance in the minutes.

Contact person: President of the Board of Commissioners.

Anticipated
completion date: Immediately.

Finding 2007-3: Accounting and Reporting

Finding: To ensure expenditures are properly authorized, each invoice should be initialed documenting approval for disbursement.

Management's
response and
planned corrective
action:

The District concurs with the finding and will implement procedures to adequately document approval of expenditures.

Contact person: President of the Board of Commissioners.

Anticipated
completion date: Immediately.

Section II – Management Letter

Finding 2007-4: Revenue and Budgetary Monitoring

Finding: Revenue reconciliation and budgetary monitoring procedures would be improved if the District would periodically request a report from the City of New Orleans itemizing the amount of taxes levied and collected, including the amount of fees charged by the City as allowed per statutes.

Touro Bouligny Security District
Management's Corrective Action Plan For Current Year Findings
Year Ended February 29, 2008

Finding 2007-4: Revenue and Budgetary Monitoring (continued)

Management's
response and
planned corrective
action:

Management is fully aware of these reconciliation processes and the necessity to have accurate financial data. For this reason, the City has been contacted on several occasions requesting such information, but the City has not been able to identify in the funds provided, what amount relates to 2007 and 2008 tax collections thus far. Management will continue to contact the City for this information.

Contact person: President of the Board of Commissioners.

Anticipated
implementation
date:

Immediately.

PEDELAHORE & CO., LLP

Certified Public Accountants

ROBERT J. MORA, CPA
MARY H. VALIGOSKY, CPA
MILTON B. CAVALIER, CPA

MEMBER
AMERICAN INSTITUTE OF CPA'S
SOCIETY OF LOUISIANA CPA'S

August 25, 2008

Board of Commissioners
Touro Boulogny Security District
Post Office Box 750290
New Orleans, Louisiana 70175

Dear Commissioners:

We have performed our review of the Touro Boulogny Security District's basic financial statements as of and for the year ended February 29, 2008, and have applied certain agreed-upon procedures. As part of those procedures we have the following information to report to you.

The Touro Boulogny Security District (the District) receives monthly financial statements from the Board of Liquidation, City Debt (the B.O.L.) reporting tax collections for the current and prior tax years. These reports provide the District with budgetary and managerial information, and are routinely used for operational purposes. However, no information is being provided to the District as to the amount of taxes actual levied and collected by the City of New Orleans (the City). Consequently, the District is unable to determine if its account with the B.O.L. is being credited appropriately, nor is it able to properly evaluate revenue for budgetary purposes.

Revenue reconciliation and budgetary monitoring procedures would be improved if the District would periodically request a report from the City itemizing the amount of the taxes levied and collected, including the amount of fees charged by the City as allowed per the statutes.

We would be pleased to further discuss these comments and recommendations with you.

Sincerely,



Pedelahore & Co., LLP
Certified Public Accountants

1010 Common Street, Suite 2100
New Orleans, Louisiana 70112
(504) 522-8708
(504) 522-8719 Fax

103 N. Laurel Street
Amite, Louisiana 70422
(985) 748-4108
(985) 748-8662 Fax

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Hammond, Louisiana 70403
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(985) 230-0083 Fax

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

July 25, 2008 (Date Transmitted)

Pedelahore & Co., LLP

1010 Common St., Suite 2100

New Orleans, LA. 70112

(Auditors)

In connection with your review of our financial statements as of December 31, 2007 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of July 25, 2008.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes [☒] No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [☒] No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [☒] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [☒] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [☒] No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable. *NOT Applicable*

Yes [] No [☒]

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.
Yes [☒] No [☐]

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.
Yes [☒] No [☐]

Debt

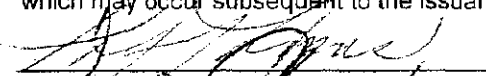


It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65. *NOT Applicable*
Yes [☐] No [☐]

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729. *NOT Applicable*
Yes [☐] No [☐]

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

	Secretary	<i>Aug 11, 2008</i>	Date
	Treasurer	<i>Aug 6</i>	Date
	President	<i>Aug 1, 2008</i>	Date